

**STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2004
(In Thousands of Dollars)**

	Business-Type Activities – Enterprise Funds					
	Major				Totals	Governmental Activities – Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2004	
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 788,886	\$ 370,383	\$ 25,150	\$ 34,322	\$ 1,218,741	\$ 680,086
Payments to Suppliers	(554,098)	---	(3,114)	(22,928)	(580,140)	(120,768)
Payments to Employees	(8,481)	---	(1,555)	(39,125)	(49,161)	(50,158)
Payments Made for Program Expense	---	(407,650)	(13,742)	(390)	(421,782)	(460,681)
Other Receipts (Payments)	(9,066)	---	(37)	(565)	(9,668)	8,718
Net Cash Provided (Used) by Operating Activities	217,241	(37,267)	6,702	(28,686)	157,990	57,197
Cash Flows from Non-Capital Operating Activities:						
Due to/from Other Funds	(330)	---	2	77	(251)	(3,242)
Contributions and Intergovernmental	---	122,378	---	23,228	145,606	425
Transfers to/from Other Funds	(229,931)	---	(101)	11,029	(219,003)	(4,793)
Other Receipts (Expenses)	12,283	---	---	64	12,347	---
Net Cash Provided (Used) by Non-Capital Operating Activities	(217,978)	122,378	(99)	34,398	(61,301)	(7,610)
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	---	---	(136)	---	(136)	(175)
Purchases and Construction of Capital Assets	(540)	---	(1,259)	(6,240)	(8,039)	(70,659)
Principal Paid on Capital Debt	---	---	---	---	---	---
Capital Lease Downpayment/Obligations	---	---	1,214	---	1,214	(218)
Disposal of Capital Assets	---	---	12	128	140	12
Net Cash Used by Capital and Related Financing Activities	(540)	---	(169)	(6,112)	(6,821)	(71,040)
Cash Flows from Investing Activities:						
Proceeds from Investment Maturities	---	---	---	1,227	1,227	573,030
Purchase of Investments	3,102	---	(4,525)	(964)	(2,387)	(541,640)
Interest and Dividends Received	470	40	783	104	1,397	2,661
Other Receipts	---	---	---	55	55	2
Net Cash Provided (Used) by Investing Activities	3,572	40	(3,742)	422	292	34,053
Net Increase in Cash	2,295	85,151	2,692	22	90,160	12,600
Cash and Cash Equivalents, Beginning of Year	10,748	19,916	12,155	2,874	45,693	105,226
Cash and Cash Equivalents, End of Year	\$ 13,043	\$ 105,067	\$ 14,847	\$ 2,896	\$ 135,853	\$ 117,826
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 216,688	\$ (302,468)	\$ 13,408	\$ (32,854)	\$ (105,226)	\$ 33,636
Depreciation Expense	1,361	---	24	2,869	4,254	14,132
Changes in Assets and Liabilities:						
Accounts Receivable	(2,268)	(22,796)	(426)	194	(25,296)	(559)
Inventories	---	---	---	39	39	(1,507)
Prepaid Items	(90)	---	---	13	(77)	(49)
Accounts Payable	266	287,997	3	421	288,687	9,393
Accrued Payroll	5	---	5	280	290	15
Deferred Revenue	---	---	(5)	---	(5)	1,674
Grand Prize Winner Liability	1,260	---	---	---	1,260	---
Claims Payable	---	---	(6,324)	---	(6,324)	---
Compensated Absences Payable	19	---	17	352	388	462
Net Cash Provided (Used) by Operating Activities	\$ 217,241	\$ (37,267)	\$ 6,702	\$ (28,686)	\$ 157,990	\$ 57,197

Non-Cash Financing Activities:

During fiscal year 2004, the Office of Administration Revolving Fund entered into an equipment capital lease agreement for \$3,099,000. The new lease agreement was part of a trade-in of old leased equipment that resulted in a \$602,000 buyout of the old capital lease.

The notes to the financial statements are an integral part of this statement.